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Small Firms Can Compete with Big Firms and WIN

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Most people who lead small firms assume they cannot compete successfully against big firms. One way to succeed is by creating a micro-niche business, because other firms—including big firms—cannot compete directly.

A GREAT SUCCESS STORY

There is a story that has given hope to many people in a vast range of situations because it demonstrates that the little guy can win, despite apparently overwhelming odds against it. Most people have heard or read the story of young David toppling the giant soldier Goliath with a single extremely well aimed stone from his slingshot.

The story is familiar. A boy with no weapon except a slingshot and some skill with it faces a giant who is a well-armed and armored soldier with a great deal of experience. When that relatively defenseless boy stepped up to engage in battle, everything anyone believed about the confrontation about to occur changed dramatically. What was different?

1. David did not need to engage Goliath in hand-to-hand combat. He only needed to be as close

as the limit of his slingshot's range.

2. He—surprisingly—switched the weaponry. Who ever heard of winning a war with a slingshot and one little stone?
3. David had the advantage of surprise. Surely, Goliath (and everyone else) laughed to see a small boy with no weapons or armor step forward to fight.
4. David succeeded in this engagement because he “changed the game.” He refused to fight the battle on Goliath's terms. Instead, he stepped outside direct competition, introduced a completely new element, knowing Goliath could not compete because his weapons were designed for close fighting. As a result, David carried the day.

LESSONS FOR THE SMALL FIRM

A small firm can compete against large firms with great success by stepping outside direct competition, in which it cannot hope to win. If the small firm will take the necessary steps to differentiate

itself effectively from the crowd of its competitors by building a micro-niche (or several) within, it can win. The name of the game is to create a unique niche or micro-niche and build it in a way that precludes competition. Learn from David when he faced Goliath.

Firms have been successful for many years by building a niche that meets a clear client need or eases a known client pain point and provides real value to the client, also. Today, when many professions have built a number of niches in which the vast majority of firms offer services, the goal is to build a micro-niche that can become the flagship business bringing in clients for all of the services offered by the firm. When you can isolate a client need shared widely enough to be profitable and you can build a micro-niche that meets that need through innovative service offerings, unique method of delivery or another special characteristic that clearly responds to that client need, you can build a premium micro-niche within your firm. Your new micro-niche business will bring new clients. Your micro-niche will also enable you to sell the same premium services to some of your current clients.

Step outside the usual competition in your profession. Change the nature of the competition and compete on your unique strengths. Your small firm can attract the new clients you need with a new micro-niche. Listen carefully to your clients and hear their needs and pain points. Use your creativity and imagination to develop innovative responses that will alleviate or remove the pain. Then you can charge premium prices for your micro-niche services and products. You can also cross-sell and up-sell other products and services.

About David Wolfskehl

As President and CEO of The Practice Building Team, David Wolfskehl helps CPAs increase wallet share from current clients by selling them additional services offered by the firm; grow their firms by adding new advisory services (such as wealth management); maximize opportunities if they currently

provide advisory services; define and build powerful micro-niche businesses that redefine success and professional excellence. Because micro-niches are built upon the expertise of a single accountant, they stand alone in the marketplace and justify premium pricing for services.

David is the author of The Micro-Niche Method: The Pathway to Premium Pricing and Increased Profitability for Today's CPAs. The book is a step-by-step guide for accountants who wish to identify, evaluate and build a micro-niche business. It includes sections on assessment of potential micro-niches, implementation of the operational and marketing needs of the micro-niche business, and how to scale back marketing efforts to maintain your "go-to" status. For more information about practice development, please visit www.tpbtteam.com. To learn more about The Micro-Niche Method, visit www.themicronichemethod.com. ●

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